



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Transfer of Management of Camp Hutchins Child Care Program to Lodi Memorial Hospital.

MEETING DATE: MARCH 18, 1998

PREPARED BY: Charlene J. Lange, Community Center Director

RECOMMENDED ACTION: That the City Council approve the attached agreement transferring the management and operation of the Camp Hutchins child care program to Lodi Memorial Hospital.

BACKGROUND INFORMATION: Lodi Memorial Hospital is expanding their concept of "well care". As the largest employer in the City of Lodi, the hospital has a vested interest in children and their working parents. The population base of their employees includes many people who are in need of child care services; and, because of shift work, are interested in expanding the typical day care facility into a service that would offer extended hours.

The City has partnered with the hospital for the past eight years in successfully operating the Adult Day Care Service at Hutchins Street Square. The operation of the Camp Hutchins program is a natural extension of this service and is an opportunity for the hospital to extend their management of both programs to keep their costs at a fair market value.

The hospital boasts experience on elementary school campuses, including Heritage School, dealing with health issues from kindergarten through sixth grade. The hospital will operate the program on a not-for-profit basis. Enrollment will continue to be open to the public on a first come, first served basis and will not be preferential to either the hospital or the City's employee base.

The hospital has met with all current part-time Camp Hutchins employees and will make every attempt to absorb those employees in their restructuring of the new program. A meeting of parents who have children enrolled in the program has also taken place prior to the Council meeting to answer questions and assure parents that the program will not be dissolved, will continue to operate, and will likely increase hours of operation.

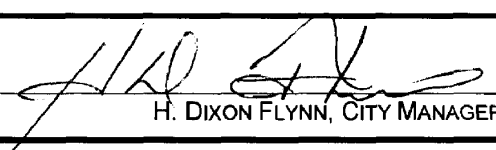
The City will transfer the current mid-manager of Camp Hutchins to the Parks and Recreation Department along with the After School Playground Program with the anticipation of expanding those programs and services more uniformly across the City boundaries. The Recreation Department also sees additional duties for the mid-manager including the expansion of Title IX sports opportunities.

This is an excellent opportunity to continue and expand our partnership with Lodi Memorial Hospital. It also affords the City the opportunity to privatize programs with positive consequences for the entire community.

FUNDING: None Required


Charlene J. Lange, Community Center Director

APPROVED:


H. DIXON FLYNN, CITY MANAGER

AGREEMENT

THIS AGREEMENT, entered into by and between the CITY OF LODI, a municipal corporation ("City"), and LODI MEMORIAL HOSPITAL ("Hospital").

WITNESSETH:

WHEREAS, the Hospital and the City have a history of partnering with the operation of the Adult Day Care Facility at Hutchins Street Square and would like to extend that partnership to include the management and operation of Camp Hutchins, a child care program.

WHEREAS, the parties hereto are desirous of expanding their relationship to include a lease on facilities at Hutchins Street Square for a one year period to operate a children's day care facility. The City would retain the State license of the program for the first year of operation with the Hospital acting as the management agent. After the first year, the Hospital would take over the ownership of the program and execute a three year contract.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. The purpose of this Agreement is to provide and manage a child care facility on a year-round basis at the Hutchins Street Square facility, specifically called "Camp Hutchins".
2. The City agrees to and hereby leases to the Hospital, the facilities and space as described as:

The western portion of the remodeled multipurpose building at Hutchins Street Square, as more particularly shown on the floor plan attached hereto and made a part of this Agreement by reference.

The space will be available to the City "after hours" and on weekends for outside rental and joint uses of the room for various community and civic activities.

For the sum of ONE DOLLAR (\$1.00) per year, payable in advance on the anniversary date of this Agreement.

3. The term of this Agreement shall be for a period for three (3) years commencing March 4, 1998 and expiring on March 5, 2001.
4. City shall provide all customary and usual maintenance of building and grounds.
5. The Hospital shall provide all necessary and customary equipment, furniture, and staff to provide care for a maximum of fifty-six (56) children. In addition, the Hospital shall be responsible for publicity and marketing of the program, expending reasonable and good faith efforts to make the public aware of this program. Fees will be established by Hospital in accordance to area market value.

6. The Hospital agrees to operate a child care program during hours by mutual agreement, Monday through Friday, fifty-two weeks of the year, save and except the usual and traditional holidays. Such services shall be available to all persons otherwise meeting the criteria for participation in such day care facilities, regardless of race, sex, national origin, or residency.
7. The City shall be obligated only to provide the necessary space and maintenance for such day care center. All other expenses of operation of the day care program shall be the responsibility of the Hospital. The Hospital further agrees to operate such Child Care Program on a not-for-profit-basis. Charges or fees for such service shall be adjusted with the intent to make such charges or fees reflect the actual cost of operation and overhead of the facility. In determining or calculating profit or loss, Hospital shall be entitled to depreciate during the term of this Lease the cost for any necessary equipment provided during the term by Hospital. Determination of profit or loss may utilize or carry forward/carry back method of calculating profit or loss for each year of the three (3) year term of the Agreement and offset for each year in which a loss was incurred against any year of the current term in which a profit resulted. Should an overall profit result as shown by independent audit based on the consideration found in this paragraph, then at the end of the three (3) year term, it shall be paid and remitted to the Hutchins Street Square Foundation, for the purpose of continued maintenance and development of the facility.
8. City and Hospital hereby mutually agree to hold harmless and indemnify the other in proportion to and to the extent that claims or losses to one are attributable to the negligent acts or omissions of the other. Such hold harmless shall include indemnity for attorneys fees and costs incurred in defending such actions.

Executed this ____ day of ____, 1998 at Lodi, California

CITY OF LODI, a municipal
corporation

LODI MEMORIAL HOSPITAL

H. DIXON FLYNN
City Manager

By _____
THEODORE HOLMSTROM
Board of Directors

ALICE M. REIMCHE
City Clerk

JOSEPH HARRINGTON
Administration

Approved As to Form:

RANDALL A. HAYS
City Attorney

LMH TRANSITION TO CAMP HUTCHINS TIMELINE

DATE	SCHEDULED EVENT
February 18, 1998	Approved Council Communication and Contract to Lodi City Council for scheduled March 18, 1998 meeting.
February 24-27, 1998	Schedule meeting with current Camp Hutchins parents
February 27, 1998	Send news release to Lodi News Sentinel and Stockton Record
March 18, 1998	Council signs Contract
March 19, 1998	Lodi Memorial Hospital signs Contract
March 20, 1998	Lodi Memorial Hospital advertises for jobs
April 1, 1998	Head teacher named
April 2-30, 1998	Remaining staff named
April 20, 1998	Head teacher on staff
May 1, 1998	Last day as City employees
May 4, 1998	Lodi Memorial Hospital takes over as employer
May 11, 1998	Move to permanent facilities

RESOLUTION NO. 98-49

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE
TRANSFER OF MANAGEMENT OF CAMP HUTCHINS CHILD
CARE PROGRAM TO LODI MEMORIAL HOSPITAL

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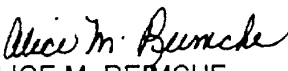
BE IT RESOLVED, that the City Council of the City of Lodi hereby authorizes the transfer of management of Camp Hutchins Child Care Program to Lodi Memorial Hospital.

Dated: March 18, 1998

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I hereby certify that Resolution No. 98-49 was passed and adopted by the Lodi City Council in a regular meeting held March 18, 1998 by the following vote:

AYES: Council Members - Land, Mann and Pennino
NOES: Council Members - Johnson and Sieglock (Mayor)
ABSENT: Council Members - None
ABSTAIN: Council Members - None


ALICE M. REIMCHE
City Clerk

Jennifer Perrin

From: Susan95240[SMTP:Susan95240@aol.com]
Sent: Tuesday, March 17, 1998 10:28 PM
To: sieglock@lodi.gov
Cc: land@lodi.gov; mann@lodi.gov; pennino@lodi.gov; bjohnson@lodi.gov
Subject: Transfer of Camp Hutchins Management

Members of the City Council

My name is Susan Bjork, I reside at 1230 S. Hutchins St., Lodi

I have a child enrolled in the Camp Hutchins program and I have some concerns and questions that I would like to state regarding the transfer of the Camp Hutchins Day Care management to Lodi Memorial Hospital that you are to review and approve on March 18.

Please forgive me for repeating much of the council communication.

#1 - I have read the council communication prepared by Ms. Lange and have not been able to identify the question of WHY? WHY the need to "fix" a program that is not broken? WHY is the hospital interested in getting into child care when there is no profit to make? WHY the need to split the responsibilities of a Recreation Supervisor, only to add more duties under her new direction? WHY place the cost of the Recreation Supervisor in the already strapped general fund when it is fully being taken care of now? WHY jeopardize the jobs of dedicated staff with only the promise of making "every attempt to absorb those employees" in the new restructure?

#2 - There is a promise that the program will run on a "not-for-profit" basis. Exactly what does that mean? Isn't it already not-for-profit? How much more will parents have to pay? What are the proposed fees? Again- why the need to "fix" a program that isn't broken?

#3 - How long will it be before the hospital views the Camp Hutchins as a benefit for their employees and gives preferential treatment to their employees? Nowhere in the contract does it state there will NOT be preferential treatment - however, in the first paragraph of the council communication background section it states "As the largest employer in the City of Lodi, the hospital has a vested interest in children and their working parents. The population base of THEIR employees includes many people who are in need of child care services and because of shift work are interested in expanding the typical day care facility into a service that would offer extended hours." It is not my child Ms. Lange is speaking of since I do not work at the hospital. I interpret that paragraph as indicating the hospital is interested in Camp Hutchins as an opportunity for THEIR employees, not the general working populous of Lodi

#4 - In the second paragraph of the background on the council communication it states: "The City has partnered with the hospital for the past eight years in successfully operating the Adult Day Care Service at Hutchins Street Square. The operation of the Camp Hutchins program is a natural extension of this service and is an opportunity for the hospital to extend their management of both programs to keep THEIR costs at a fair market value." Does this mean that the hospital is having problems with the adult day care program and wants to use Camp as a means of off-setting THEIR problem? I believe that Camp's fees are at a fair market value considering that most child care centers provide lunch and Camp does not.

#5 - I am perplexed by the thought of handing over a fully established business (Camp Hutchins) for \$1 a year.

#6 - The last statement of the council communication says "it also affords the

City the opportunity to privatize programs with positive consequences for the entire community." If Camp Hutchins is being privatized, why wasn't anyone else (much less those actually in the child care business) given an opportunity to submit a request for proposal. Isn't that required for most everything else? How is the transfer making the program any more positive than it already is? Many of their so-called "enhancements" are already being offered.

#7 - Is there a problem with the management of Camp Hutchins that can only be resolved with the hospital take-over?

Unfortunately, the real answers to many of these questions can only be answered by searching out the need and motivation of the Community Center Director to rid herself of this program as well as the After School Program.

Thank you for your time.

Susan Bjork



MEMORANDUM
Office of the Lodi City Clerk

TO: Honorable Mayor
Members of the City Council

FROM: Alice M. Reimche *AR*
City Clerk

DATE: March 20, 1998

SUBJECT: March 18, 1998 Agenda Item Entitled, "Transfer of Management of Camp
Hutchins Child Care Program to Lodi Memorial Hospital"

Following an inquiry by Mayor Sieglock yesterday as to erroneous information appearing in the Lodi News Sentinel pertaining to the vote on the above matter, I called Reporter Craig Cassidy who confirmed that he made an error in reading his notes on the 3 - 2 vote in which Sieglock and Johnson voted 'No'.

Late last night I finally had an opportunity to read the newspaper, and I was taken aback by the article which indicated a \$5 a week increase for the program. In reviewing the minutes and in checking with Deputy City Manager Keeter, we both recall vividly Debbie Aspling, Vice President of Patient Care with Lodi Memorial Hospital, after being questioned directly as to whether or not the fee would increase, emphatically stating that they would in fact hopefully decline.

Should you have any questions, please contact me.

AMR/jmp

Attachment

cc: Deputy City Manager Keeter